



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

March 18, 2008

James V. Grasso, V.P. Operations
Kim Lighting, Inc.
16555 E. Gale Avenue
City of Industry, CA 91716

Dear Mr. Grasso:

RE: **MONITORING VISIT REPORT FOR KIM LIGHTING II (ET06-0240)**

Date of the Visit:	03/18/08
Beginning/Ending Time:	9:30 a.m. – 11:30 a.m.
Date of Last Visit:	08/14/07
Visit Location:	Ontario
Persons in attendance:	James Valade, Production Engineering Manager, Kim Lighting Margarita M. Paccarelli, Contract Analyst, ETP
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	02/13/06 - 02/12/08	Agreement Amount:	\$157,248
Training Start Date:	02/13/06	No. to Retain:	216
Date Training must be Completed:	11/12/07	Range of Hours:	24 - 128
Type of Trainee:	Retrainee	Weighted Ave. Hours:	56

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on October 19, 2005 and training began on February 13, 2006. Mr. Valade reported that all training was completed on October 22, 2007, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – February 12, 2008.

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

- **FINAL PROJECT STATISTICS**

Your Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 24 and 128 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 24 hours of training from the approved curriculum.

Although Chart 1, Exhibit A of the Agreement, specified that there would be 216 trainees to be retained, Mr. Valade reported that only 68 trainees completed training and the 90-day retention period. This resulted in a completion rate of 31 percent with approximate earnings of \$30,534, which is 19 percent of the Agreement amount. The following chart shows a breakdown of training hours and projected reimbursement as shown on the ETP Online Tracking System:

TYPE OF TRAINING	HOURS COMPLETED	PROJECTED REIMBURSEMENT
Class/Lab	2,481.5	\$27,774.50
CBT	345	\$2,760.00
Total	2,214.5	\$30,534.50

To date, your company has received \$25,144 in progress payments; therefore you will receive an additional \$5,390, if the anticipated number to retain is verified during the final fiscal closeout.

- **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

According to Mr. Valade, the company was not able to provide all the training originally intended in this Agreement due to several factors. Training was interrupted from June 2006 though April 2007, because there were several changes going on with the company (i.e. staff, operations, processes) that the company president decided to shift focus away from training during that period. Although the company did not complete 100 percent, Mr. Valade stated that the company benefited from the ETP-funded training. The training provided your employees knowledge in continuous improvement and computer skills, which is very helpful in ensuring that the company meet the quality standards required by the industry.

Mr. Valade also stated that he did not experience any problem with ETP record keeping and that ETP staff was very helpful in providing assistance in the administration of this project.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	140	Currently in Training:	0
Trainees Enrolled:	140	Completed Training:	68
Dropped Following Enrollment:	72	Completed Retention:	68
No. Completed Minimum Reimbursable Hours :	68	In Retention Period:	0

The project statistics provided by your project staff matches those listed on the current ETP Contract Status Report.

ACTION ITEMS FROM LAST VISIT

➤ PROJECT TRACKING

At the last visit, the ETP Online Tracking System did not reflect an accurate number of hours completed. This has been corrected and the Analyst verified during this visit that all class/lab and CBT hours have been entered online.

➤ COMPUTER-BASED TRAINING (CBT)

The Analyst found that the majority of the trainees who received CBT had not received class/lab training. Mr. Valade was advised that the CBT should be provided in conjunction with class/lab instruction. During this visit, the Analyst verified that all trainees who received CBT also received class/lab training.

TRAINING RECORDS

Ms. Pacerelli conducted a random sampling of 27 trainees who completed training. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 24 and 95 total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccereilli at (818) 755-1317 or by email at mpaccereilli@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Dolores Kendrick, Manager
North Hollywood Regional Office

Margarita M. Paccereilli, Contract Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, ETP Program Operations Division (via email)
James Valade, Kim Lighting (via email)
Master File
Project File

Date report mailed to Contractor _____